

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER RAPER
COMMISSION SECRETARY
LEGAL
WORKING FILE**

FROM: TERRI CARLOCK

DATE: MARCH 20, 2015

**RE: IDAHO POWER COMPANY'S REQUEST TO EXTEND THE SHELF
AUTHORITY TO ISSUE AND SELL UP TO \$500 MILLION IN FIRST
MORTGAGE BONDS AND DEBT SECURITIES; CASE NO. IPC-E-15-04.**

On March 9, 2015, Idaho Power Company (Idaho Power, Company) filed an Application requesting authority to extend the two-year shelf authority to issue and sell from time to time (a) up to \$500,000,000 aggregate principal amount of one or more series of First Mortgage Bonds, which may be designated as secured medium-term notes, (b) up to \$500,000,000 aggregate principal amount of one or more series of unsecured debt securities. The total outstanding combined principal amount of the Bonds and the principal amount of the Debt Securities to be issued and sold shall not exceed \$500,000,000. The current authority, approved by Commission Order No. 32786, dated April 9, 2013 was for two years with a provision for extension. The Company has issued \$250,000,000 to date, leaving \$250,000,000 available for issue if the extension is granted. All other terms and conditions of Order No. 32786 will remain in full force and effect during the two-year extension.

A shelf registration allows a company to issue debt in one or more series and to take advantage of attractive market conditions efficiently and rapidly. This shelf registration extension is requested for a two-year period from April 9, 2015 through April 9, 2017. An extension allows issuances to be made at lower cost under the current structure and still allows for ongoing review.

The Bonds will be issued pursuant to one or more supplemental indentures to the Mortgage and will be secured equally with the other First Mortgage Bonds of Idaho Power. The Company is also requesting continued authority to enter interest rate hedging arrangements with respect to the Bonds including treasury interest rate locks, treasury interest rate caps, treasury interest rate collars, treasury options, forward starting interest rate swaps and/or swaptions.

The Bonds and/or Debt Securities may be sold by public sale or private placement, directly by Idaho Power or through agents designated from time to time or through underwriters or dealers. The type and terms of issuance will be determined at the time of issuance. Any required Prospectuses will be filed prior to issuance. If any agents or any underwriters are involved in the sale of the Bonds and/or Debt Securities, the names of such agents or underwriters, the initial price to the public (if applicable), any applicable commissions or discounts, and the net proceeds to the Applicant will be filed by the Applicant with the Commission. If the Bonds are designated as medium-term notes and sold to an agent or agents as principal, the names of the agents, the price paid by the agents, any applicable commission or discount paid by the Applicant to the agents and the net proceeds to the Applicant will be filed with the Commission. All final documents will also be filed.

Net proceeds from the sale of the Bonds and/or Debt Securities will be used for the acquisition of property; the construction, completion, extension or improvement of its facilities; the improvement or maintenance of its service; the discharge or lawful refunding of its obligations; and for general corporate purposes. To the extent that the proceeds from the sale of the Bonds or Debt Securities are not immediately so used, they will be temporarily invested in short-term discounted or interest-bearing obligations.

STAFF RECOMMENDATION

Staff recommends the Commission grant the requested extension for the \$500 million shelf registration for a two-year period from April 9, 2015 through April 9, 2017.

Staff recommends Idaho Power continue to file copies of all Prospectuses, Prospectus Supplements, Agent, Underwriter and Dealer agreement terms, and Pricing notice of issuances with the terms. All final documents will also be filed. Idaho Power will file by letter seven days or as soon as possible prior to issuance the terms of issuance.

COMMISSION DECISION

Does the Commission approve a two-year extension for the \$500 million shelf registration with the all other terms and conditions in Order No. 32786 remaining in full force and effect?



Terri Carlock

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